

INTERFERES SEES MONOPOLY IN CITY FIRE INSURANCE

Calls the New York Exchange 'Most Rock Ribbed, Despotism and Cruel Organization.'
MANAGER IS EXAMINED
Admits 'Control' of Risks
With Board Writing \$7,000,000,000 in Policies
Last Year.

\$18,000,000 IN PREMIUMS
William Schiff, Broker, Testifies to Heavy Penalty Imposed for Firm's 'Non-Board' Dealings.

The New York Fire Insurance Exchange, a membership association composed of insurance companies and agencies, and which virtually regulates the price property owners in this city must pay for fire protection, was described as the "most rock-ribbed, despotism and cruel monopoly in the State of New York" by Samuel Untermyer, counsel to the Lockwood committee, when the committee resumed yesterday its investigation into housing conditions in this city. The committee has been in recess since December.

Mr. Untermyer's characterization of the association as a monopoly was made while Willis O. Robb, its manager, was endeavoring to explain that although the exchange fixes the rate at which fire insurance shall be effected within this territory and imposes summary discipline upon any broker who places insurance in any company not upon its lists, it is not in fact a monopoly. All of the afternoon session of the Lockwood committee was given over to inquiry into fire insurance as one of the controlling conditions affecting housing in this city.

Constitution of Exchange.
Mr. Robb, called as the first witness in respect to fire risk and insurance rates, testified that he was manager of the insurance exchange at a salary while the rest of its officers are officials of member insurance companies who serve without pay. These officers only direct its policies and pass upon breaches of its rules. Its officers are at 123 William street and it employs 175 clerks and inspectors and costs from \$225,000 to \$350,000 a year to maintain.

The exchange has never been incorporated and is merely an association by agreement and its membership is made up of eighty insurance companies and forty agencies and all insurance written by members of the exchange is placed by \$3,000 brokers. Every person solicited insurance in this State is required to take out a State license, but the brokers who place insurance with companies which are members of the exchange must also obtain a certificate from the exchange. Before the certificates will be granted the applicants must sign at least one of two pledges.

The first pledge binds them not to pay to or divide a commission with any person not holding a broker's certificate, and the second requires them not to place insurance with "non-board" companies or companies not members of the exchange until member companies have been offered the insurance and have refused it.

Mr. Robb testified that it is "extremely difficult" for any broker not on the exchange's list to live by selling insurance in New York.

Volume of Business.
In premiums, he said, the various companies took in about \$6,000,000 last year, through the broker with whom they dealt and wrote in all about \$7,000,000 worth of policies on property within this city. He declared himself unable to tell how much of the business the companies had been, and was told to bring the necessary records with him to-day. Mr. Untermyer will attempt to show that about half the money paid in premiums is clear profit to the companies.

Mr. Robb, just before his testimony ended, admitted that the brokerage firm of Schiff, Terhune & Co. had lost its exchange license for six weeks for placing \$600,000 worth of insurance with a "non-board" company at a rate published in several newspapers and amounted to a severe hardship, because many of his clients, not knowing the difference between a State license and the exchange's certificate, thought he had lost his State license for illegal conduct. The final piece of testimony was to his effect that if a broker were to lose his exchange license he would not be able to do business at all and all he might just as well close his office.

It came out also yesterday that the "compensation department" of the Building Trades Council, which absorbed \$1 a month from 115,000 workmen, is still functioning but not likely to persevere.

Hospital Alcoholic Cases Increase 120 P. C.

AN increase of nearly 120 per cent. in the number of alcoholic cases admitted to Kings County Hospital within the last nine months was reported yesterday by Dr. Mortimer D. Jones, medical superintendent, to Bird S. Coler, Commissioner of the Department of Public Welfare.

Dr. Jones stated that 650 persons were admitted to the alcoholic wards during the nine months ending last month, as against 299 for the parallel period in 1919-1920.

Hard liquor was almost always responsible for the patients' condition, according to the report, while before prohibition beer and wines were often the cause.

Dr. Jones also reported that the cases have become much more acute in character.

CARROLL M'COMAS HEIR OF FIANCÉE

H. J. Flannery, Son of Late Vanadium Magnate, Leaves All to Actress.
Leading Woman in 'Miss Lulu Bett' Met Him When He Was at Yale.

Miss Carroll McComas, a well known actress, who is playing the title role in "Miss Lulu Bett" at the Belmont Theatre, has been made the sole beneficiary under the will of Howard J. Flannery of Pittsburgh, who died in New York several weeks ago, according to despatches from that city last night. The value of the estate has not been estimated, but it is said to be considerable, as Flannery was prominent in business circles in Pittsburgh and was understood to have made many big deals.

Miss McComas said last night that she met Mr. Flannery several years ago, when he was a student in Yale University and she was just starting her career on the stage. They became friends and she was invited to visit his home in Pittsburgh. Thereafter she frequently was a guest there and Mrs. Flannery had almost a second mother to her. Her last visit to the Flannery home was last August and at that time her engagement to Mr. Flannery was announced informally. It was not made public at that time because Miss McComas was opposed to that sort of personal publicity.

Mr. Flannery died here on December 28. Miss McComas said, and added that she had no idea of the value of the estate, which might be anywhere from a few dollars to a million. She also said that no matter how much it might be she had no intention of retiring from the stage or anything like that, but would continue working. She has been on the stage for a number of years, but she has done bigger work as Miss Lulu Bett than in any other part in which she ever appeared.

During the war Miss McComas went to Europe as head of her own entertainment unit and passed eight months among the American troops in Germany and France. When she came back she was a good identification card inscribed, "She sang for the boys on the Rhine." Mr. Flannery was 35 years old and the son of a late James J. Flannery, a widely known steel man of Pittsburgh and a member of the family which developed the vanadium steel process.

Miss McComas is a daughter of the late Judge C. C. McComas of Los Angeles. Among the plays in which she has been seen in New York during her twelve years on the stage are "Seven Chances" and "Oh, Boy."

COURAGE OF A GIPL LANDS TWO MEN IN JAIL

Halt Her Escort in Automobile, Showing U. S. Badge.
The courage of Miss Mae Vingrath, a telephone operator, was responsible early to-day for the arrest of Harry McCann of 5315 Fifth avenue and Gustave Lantieri of 61 Ninth street, Brooklyn, after it is alleged they had purloined her escort, Frank R. McCarthy of Ocean place, from Kew Gardens, L. I., to Jamaica in an effort to rob him. From Jamaica to Somers Hall, Somers street and Rockaway avenue, Brooklyn, where the pair were arrested on charges of impersonating policemen and Federal agents, Miss Vingrath succeeded in altering the situation to the extent that McCarthy became the pursuer.

McCarthy and Miss Vingrath, whose home is at 5474 Kosciuszko street Brooklyn, left Kew Gardens at 10 o'clock in McCarthy's automobile. They noticed they were followed. At Jamaica they were stopped by the two men. The latter showed badges, said they were officers, and accused McCarthy of speeding. Miss Vingrath ran to a nearby telephone to verify their statements and they sped away. Then McCarthy took up the chase, which led to Somers Hall and the arrests. Two women in Lantieri's car were detained.

According to the police, Lantieri had a State license, but the "non-board" company he was using was not on the list of companies for which he had lost his State license for illegal conduct. The final piece of testimony was to his effect that if a broker were to lose his exchange license he would not be able to do business at all and all he might just as well close his office.

It came out also yesterday that the "compensation department" of the Building Trades Council, which absorbed \$1 a month from 115,000 workmen, is still functioning but not likely to persevere.

NIBLACK AT GIBRALTAR.
GIBRALTAR, April 26.—The United States cruiser Pittsburgh, flagship of Vice-Admiral Albert P. Niblack, commander of the American naval forces in European waters, is expected to-morrow.

100 You intend getting a new car? Now is the time to dispose of your old one. Use the Automobile Directory in The Herald's board section.—Adv.

MAKING FACTORS FIRM AS THEY GO TO MEET BENSON

Chairman of the Shipping Board Will Urge Labor to Take Wage Cut.
CONFER THIS MORNING

Charged That Mariners Are Resolved American Ships Shall Not Succeed.

AID FOREIGN COMMERCE

Workers Assert High Wages Attract U. S. Citizens to Merchant Marine.

Admiral William S. Benson, chairman of the United States Shipping Board, will open a conference in Washington this morning between all factions in the marine wage controversy, and according to despatches from the capital last night he will strongly urge the labor union leaders to accept a reduction in wages. He will ask the union men to aid in putting the ship industry on the same basis of readjustment as has been reached by the other industries of the United States. The reduction favored by the Shipping Board goes as low as 18 per cent, while the steamship owners want a reduction of at least 25 per cent.

Thirty steamship owners left for Washington at midnight. At their head was William A. Thompson, president of the Texas Steamship Company. At a meeting of the owners, held yesterday afternoon at the Whitehall Club, 17 Battery place, Mr. Thompson was chosen to head the delegation and to act as their spokesman at the conference with Admiral Benson. The attitude of the owners was unchanged. They declare that a radical reduction in wages and a sweeping revision of working conditions is necessary before the American shipping, of which four-sevenths is owned by the Shipping Board, can compete with foreigners.

H. H. Raymond, president of the Clyde-Mallory lines and of the American Steamship Owners' Association, said that the attitude of the engineers, firemen and sailors, which is emphatically against even considering a wage reduction, is a "barrier" to the principle of readjustment. He said that they are cynically rejecting the offer that they shall have no chance with foreign competition.

High Wages Attract Americans.
Representatives of the unions are just as insistent that the maintenance of the present wage schedules is necessary to the prosperity of the American merchant marine. Explaining this argument, Andrew Furuseth, international president of the seamen, says that the present relatively high wages attract Americans to the sea, and that the prosperity of a nation's merchant marine depends upon the number of its own people who are in the service. Therefore, he says, wages must be high for the industry to prosper. He also says that living costs have not gone down enough to warrant a cut.

Union officials left for Washington early yesterday. The local organization of marine engineers, said before he left that his mind was made up, whatever takes place at the Washington conference, he will stand firm against any cut in wages. The attitude of the engineers, firemen and sailors from the first has been that there could not even be a discussion of wages. They are willing to make compromises only in the matter of working conditions.

It was announced after the conference of shipowners that the delegation selected to go to Washington would not have the power to make a final decision. Instead, they will report back at a meeting to-morrow afternoon of all the members of the American Steamship Owners' Association.

Strike More Imminent.
At the present stage of negotiations a strike is more imminent than at any time since the reduction in wages was proposed. While both owners and workers said that they hoped to avert a strike, they pointed out that since negotiations began more than two weeks ago little progress has been made toward an agreement. In fact, with the exception of the cooks and stewards, who have been working on a compromise wage scale, no progress whatever has been made.

The position of the private steamship owners was summed up by Mr. Raymond as follows: "We have no quarrel with the unions as such. Engineers and men have a right to organize if they so will, but they must not forget that their highest obligation, after all is not to their unions but to their country and their Government."

"In good faith the Shipping Board and the shipowners have agreed to join in a reduction of wage costs that, with the other economies already achieved, will help us to keep American ships at sea. Everywhere else labor is frankly accepting the situation. Shipyard workmen have taken a cut of 10 to 15 per cent. In the knowledge that another will quickly follow. A 25 per cent. reduction has gone into effect in mills of New England, New York, New Jersey and Pennsylvania. Engineers, firemen and sailors alone refuse outright, or block the case by irrelevant demands. We have issued no ultimatum. We have not declined to treat with labor. We have invited engineers and seamen to sit down with us and work out a wage scale and working rules that could be heartily agreed to by both parties."

"Let it not be forgotten that of our total seagoing tonnage at the present time 1,740,735 tons are owned by the American people through the Shipping Board and 5,125,273 by the stockholders of our steamship companies. A strike, if one occurs, will therefore be directed chiefly at the investment of \$2,000,000,000 in ocean shipping which Liberty bonds made possible."

Country Board
There's always a lot of Country Board advertisements in The Herald's Want Ad. Section. Folks know from experience that Herald QUALITY QUANTITY circulation of more than 200,000 brings splendid results. Whether you are looking for a place in the country to live this Summer or whether you want boarders, you can be certain in advance of fine returns if your ad. is in

HUGHES CONSULTS ALLIES ON NOTE; GERMAN Y ANNOUNCES PROPOSALS; FRANCE WITH BRIAND FOR INVASION

DEPUTIES SUPPORT UNYIELDING POLICY

Premier Points to Repeated Failure of Germans to Observe the Treaty.

'DODGING TO GAIN TIME'

Is Ready to Act on May 1; Confident of Result With Entire Country United.

By the Associated Press.
PARIS, April 26.—The Chamber of Deputies to-day gave Premier Briand full liberty of action after hearing his report on the reparations conference and his declaration:

"If on May 1 satisfactory proposals, with acceptable guarantees, are not made by the German Government, the Ruhr will be occupied."

The Chamber voted confidence in the Government, 424 to 29, with 59 deputies abstaining from voting.

M. Briand said he had full confidence that if the Washington Government decided to transmit the German counter proposals they would be such as to safeguard the interests of the Allies on reparations.

"But," he added, "there is another violation of the Treaty of Versailles which Germany cannot invoke the impossibility of fulfilling, namely, disarmament, which she has failed to carry out."

The Premier declared that the German proposal that Washington mediate was "another dodge to gain time," and continued: "We have confidence in the loyalty and perspicacity of the Government of the United States to take only such initiatives as it is certain are in conformity with the interests of the Allies. But so far as France is concerned our dispositions are taken for the day when the debt becomes due."

This was greeted with cheers from the Chamber.

In his statement M. Briand said that France and Great Britain were "completely in agreement so far as the principle of coercive measures was concerned." He said that the violation by Germany of the Treaty of Versailles, laying special emphasis on Germany's failure to disarm in accordance with the treaty, her refusal to pay 1,000,000,000 gold marks on March 23, failure to transfer her gold reserve and nonpayment of 12,000,000,000 gold marks remaining due on May 1.

"But we will do nothing without first consulting our allies," the Premier went on, "and on April 30, when the conference meets in London, if Germany has not made acceptable propositions and guarantees we shall submit to our allies the practical means we have decided upon in order to obtain payment of our just due."

André Tardieu and M. Mandel, formerly Clemenceau's chief of cabinet, led the attack against M. Briand after the Premier had concluded his declaration. M. Tardieu asked for the immediate discussion of his interpellation whether the contemplated occupation of the Ruhr was for the enforcement of the Treaty of Versailles or the Paris January agreement.

The Premier refused to discuss the matter before May 1 and made it a question of confidence.

UCHIDA DENIES JAPAN IS BENT ON FIGHTING

Tells Tokio Society League of Nations Is All Right.

By the Associated Press.
TOKYO, April 26.—Japan, being in a disadvantageous position on account of the difference in nearly everything between the East and West, is made to appear a warlike nation, Viscount Uchida, the Foreign Minister, told a meeting of the Japanese League of Nations Society here to-day.

"Nothing can be further from the truth than the idea that Japan is bent on fighting," said Viscount Uchida, adding "Japan has never waged war except under compelling circumstances."

The Foreign Minister expressed the opinion that, despite scepticism, the international league of Nations is coming to stay. Japan, he declared, should do her utmost to assist the league.

Resolutions were presented declaring the question of the Yap mandate and the American contentions concerning it, and also the Shantung question, were within the scope of the activities of the society, which should help in its solution.

GERMANY'S OFFER IS ON NEW BASIS

Simons Declares Proposals Must Not Be Taken as Founded on Increase.

U. S. OPINION FOLLOWED

Cabinet's Decision Not Due to Fear of Penalties but to Remove False Views.

By the Associated Press.
BERLIN, April 26.—Speaking in the Reichstag to-day, Dr. Walter Simons, the Foreign Minister, declared that as the Reichstag had regarded Germany's offer to the Allies made at the recent London conference too high, the members could not take the new offer sent through the United States "on the basis of an increase over the previous German offer, but only as on a different basis."

The neutral experts, Dr. Simons continued, unfortunately had overestimated Germany's capacity to pay. He said he always had emphasized the fact that he was ready to enter into new negotiations. The Foreign Minister admitted that he had hoped he could come to an understanding direct with France, but that the feeling there was such that he had been unable to retain that hope. Therefore there remained only one power to turn to, neither neutral nor one of the Allies, and that was the United States.

Another power, Dr. Simons added, had offered its good offices, but its efforts were balked by the indiscretions of the German press.

The Foreign Minister declared it was the Government's duty to take its new step, not from fear of new penalties but because of the false views entertained abroad regarding the reparations question.

"That step was unusual," he said, "but a great leader, who has acknowledged himself a supporter of the idea of arbitration, can act as arbitrator, especially in the case of a crisis, and a great lawyer and has been entrusted by the people of the United States with the highest judicial office. We have appealed to the principle of justice. Is that cringing before our opponents? In my opinion it is not."

"At present we must yield to the threats of the Reparations Commission. We are to the false views entertained we chose this form in accordance with German but American judicial opinion, and therefore consulted American counsel. I am convinced this step will be judged later differently than now."

"When President Harding asked us to make proposals for negotiations subsequent to the Paris Conference, we were obliged to act in accordance with facts. The note was unanimously approved by the Cabinet and the American answer is awaited any moment."

The idea of a loan in America, said Dr. Simons, had not been favorably entertained there, but Germany nevertheless had made efforts in that direction. He said the question of an international loan would have to be discussed with the Allies and international financiers. He hoped neutrals also would assist.

The remnants of the German financial resources, Dr. Simons continued, would have to be used to relieve the German people of their obligations under the Versailles treaty. Up to the present, he said, she had adhered to the standpoint that Germany already had given the value of the 20,000,000,000 marks gold payable before May 1.

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WAGE BONUS PLANNED FOR FEDERAL CONVICTS

Daughter to Put Prisons on a Business Basis.

Special Despatch to THE NEW YORK HERALD.
New York Herald Bureau.
Washington, D. C., April 26.—The Atlanta Penitentiary and other Government prisons are to be put on a business basis under plans of Attorney General Daugherty. The Attorney-General said to-day he contemplated paying cotton spinners in Atlanta a bonus of probably two cents a yard.

The Atlanta Penitentiary has a contract with the Post Office Department for making mail sacks. It is on this work the Attorney-General proposes the bonus, under which prisoners can earn from \$3 to \$3.50 a week.

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Note Plans Loan to Allies; Also Labor to Pay Deficit; Would Assume Debt to U.S.

Insists All Penalties Be Abrogated, Property of Germans in Foreign Lands Released, Free Trade Guaranteed and Troops Evacuated—Wants Clean Slate and Suggests Experts Fix Indemnities.

By the Associated Press.
BERLIN, April 26.—The text of the note to the Washington Government for transmission to the Allies, embodying the German reparations proposals, made public to-day confirms in almost every particular the forecasts made through unofficial channels.

1. Germany fixes her total liability at 50,000,000,000 marks gold, payable in suitable annuities, which will total 200,000,000,000 marks gold by reason of the payments being spread over a series of years with cumulative interest.

2. Germany will immediately issue an international loan, in which she will participate and of which the value, rate of interest and scale of redemption shall be subject to agreement, the proceeds of the loan to be put at the disposal of the Allies.

3. Germany will pay, according to her capacity, in labor, interest and redemption the total sum to be paid which is not covered by the international loan. She considers in this connection that it will be possible to pay only 4 per cent. annual interest.

4. Germany is disposed to permit the Allies to share in an improvement of her financial and economic situation. The redemption of the remaining sums will have to take, therefore, a variable form, depending upon an improvement. It would be necessary to draw up a scheme to be based on an index to be used should the situation become worse.

Would Help Rebuild the Devastated Regions.

5. In order to clear herself as quickly as possible of the balance, Germany is willing to cooperate with all her strength in the reconstruction of the devastated regions. She regards reconstruction as the most urgent basis of reparations and the most direct remedy for mitigating the hardships of the war and the hatred between peoples. She will reconstruct towns, villages and townships designated, or cooperate by supplying labor and material, or in any other way agreeable to the Allies.

6. With the same object in view Germany is disposed to pay in kind to States which were victims of the war, in addition to reconstruction, according to a scheme as far as possible purely commercial.

7. In order to give undeniable proof of her good faith Germany is prepared immediately to place at the disposal of the Reparations Commission 1,000,000,000 marks, comprising 150,000,000 in gold and silver in foreign exchange and 850,000,000 gold marks in treasury notes, redeemable within three months in foreign exchange or foreign securities.

8. In the event the United States and the Allies so desire, Germany is willing, according to the extent of her ability and capacity, to assume the allied obligations to the United States.

9. Germany proposes to negotiate, with the assistance of experts, as to the way in which German deliveries for reparations will be reckoned, against the total of Germany's debt, particularly respecting the way in which the price value will be fixed.

Ready to Pledge Public Revenues and Properties.

10. As security for the credits accorded her, Germany is willing to pledge public revenues and properties, in a manner to be determined between the contracting parties.

11. With the acceptance of these proposals, Germany's other reparations and obligations will be annulled and all German private property in foreign countries will be released.

12. Germany declares the present proposals only capable of being carried out if the system of penalties is discontinued forthwith and she be freed from all unproductive outlays now imposed on her and that she be given freedom of trade.

In the event of differences of opinion arising from an examination of the proposals the German Government recommends that they be submitted for examination to a commission of recognized experts acceptable to all the interested governments. She declares herself ready in advance to accept as binding any decision reached by this commission.

Should any other form of proposals, in the view of the American Government, facilitate further negotiation of the question, the German Government would ask to have its attention drawn to any points in which alteration is, in the opinion of the American Government, desirable. The German Government would also welcome other proposals from the American Government.

Finally, the note says: "The German Government is too deeply convinced of the fact that the peace and welfare of the world are dependent upon a speedy, just and fair solution of the reparations question not to do everything within its power in order to enable the American Government to direct the attention of the allied governments to the matter."

MOTOR BOAT GAINS IN RACE WITH TRAIN AGAINST TIME

Gar, Jr., II., Does 785 Miles From Miami to Morehead, N. C., in 28 Hours—Experts Pleased With Record of G. A. Wood's Vessel.

The motor boat Gar, Jr., II., with which Garfield A. Wood of Detroit is trying to beat the time of the Atlantic Coast Line's Havana special from Miami, Fla., to New York, had reached Morehead City, N. C., last night at 6:54 o'clock, having covered 785 miles in 28 hours. The train arrived in the Pennsylvania Station here at 10:03 o'clock last night, standard time, only three minutes late on the run from Miami. Both train and boat left the Florida city at 2:30 A. M. Monday.

Eastern standard time, the former to travel a total of 1,347 miles and the motor boat 1,240 miles. The time of the train from Miami to New York was 43 hours 33 minutes, or about 31 miles an hour.

Mr. Wood had as a passenger C. F. Chapman, editor of Motor Boating. The boat reached Havana on Monday night at 7:10 o'clock and left again yesterday morning at 5:45, passing the lights at eighty-one miles out at 8:25. He stopped at Southport at 12:41 for gas, having made the distance from Miami in twenty-four hours and twenty-two minutes at an actual running time. The next stop of the boat was at Beaufort, N. C., which she

reached last night at 6:12 o'clock, reaching Morehead City half an hour or so later.

From Morehead City the motorboat took the route of the inland waterway. Despatches from Beaufort last night quoted Mr. Chapman as saying that he was very much pleased with the showing that Mr. Wood was making with his motor boat, and that he expected to arrive in New York early Thursday morning. The race will be decided on elapsed time.

CANOEIST NEARING END OF 10,000 MILE TRIP
Special Despatch to THE NEW YORK HERALD.
NORFOLK, Va., April 26.—With 9,500 miles behind him, William A. Good of Harborsburg, left to-day on the last stretch of his Chicago to New York canoe trip.

Beginning this cruise in October, 1919, the canoeist expects to reach New York city early in June after covering approximately 10,000 miles in his frail craft.

The trip is being made under auspices of the Field and Stream Magazine as a demonstration of what can be done in a small boat and on little capital. At the same time Mr. Good is collecting information on game and fish.

Secretary's Conference With Allied Envoys Follows Two Hour Cabinet Session.

ATTITUDE KEPT SECRET

Each Diplomat Is Received Separately, Including Those From Italy, Belgium and Japan.

U. S. WAITING DECISION

Administration Will Take No Step Until After It Gets Views of War Associates.

By the Associated Press.
WASHINGTON, April 26.—That the United States in replying to Germany's counter proposals on reparations would be guided almost if not wholly by the decisions of the allied governments as to whether the new propositions put forward by Berlin were of such a nature as to form the basis for further negotiations, was clearly indicated by the course of events here to-day.

Secretary Hughes conferred with each of the allied diplomatic representatives, discussing with them briefly the German communication, which was received early in the day from American Commissioner Dresel at Berlin. The foreign envoys immediately reported to their governments by cable, and it was understood that the framing of a reply to Germany would await the outcome of these exchanges.

As the allied governments were believed to be in possession of the text of the German proposals, it was not thought that a reply would be long delayed. It was suggested, however, that exchanges between Paris and London might be necessary before a final decision was reached.

No Intimation on Attitude.

If Secretary Hughes received from the foreign diplomats any indication of the views of their governments with regard to the counter propositions, the fact was not disclosed, nor was there any intimation as to how American Government officials viewed them. There was some evidence, however, that the statement contained in press despatches from Paris that the German offer was believed to be unacceptable to France caused little, if any, surprise.

Discussion of the German memorandum is understood to have occupied much of a two-hour session to-day of President Harding's Cabinet. What took place in the Cabinet room, however, remained a carefully guarded secret, those attending declining to discuss the subject.

After returning to the State Department from the White House, Secretary Hughes sent invitations to the allied diplomats to visit him in his office for a discussion of the German proposals. These invitations were sent out to the representatives not only of Great Britain and France, but also of Belgium, Italy and Japan.

Belgian Envoy First.

Baron de Marchienne, the Belgian Ambassador, was among the first to call on the Secretary. The envoy was received separately and each conference was brief, the series of visits being concluded within a little more than an hour.

While the United States desires that the reparations question be solved with all possible dispatch consistent with justice, Secretary Hughes has made it plain from the first that the United States stands squarely with the Allies in holding Germany responsible for the world war and therefore bound to pay to the limit of her ability. That statement was contained in his reply early this month to the first German communication.

In his response to the appeal that President Harding act as mediator Mr. Hughes told Germany that he would consider bringing to the attention of the Allies such proposals as could form the basis for further discussion. It also is pointed out that he added to that statement the specific provision that the presentation of such proposals would be "in a manner acceptable" to those governments.

Should the Entente chancellors decide that the German proposals are such as to merit consideration, Mr. Hughes would inform the Berlin Foreign Office that he was transmitting them, and negotiations then could be expected to proceed. Should the Allies decide, however, that the propositions were unacceptable as a basis for further discussions, Mr. Hughes would be expected to inform Germany that he